

From: Wayne Hedberg
To: LBraxton
Date: 12/8/95 11:37am
Subject: Mtg. Notes - Hecla Mining Co. - Apex Mine/Escalante Mill (M/053/004 & M/021/004)

On December 7, 1995, a meeting was held at DOGM offices with representatives from Hecla Mining Company (Alan Wilson), Amalgamet Canada (Gunter Thase), PPM Pure Metals (Joachim Riecke), Uranerz USA, Inc. (Glenn Catchpole/Richard Hogan), the BLM (Terry McParland), the DWQ (Bob Barnes - via conference call) and DOGM minerals staff (Tom Munson, Lynn Kunzler & Wayne Hedberg).

Amalgamet Canada and PPM Pure Metals have entered into a purchase option agreement with Hecla Mining Company (HMC) to acquire the Apex Mine and the Escalante Silver Mine & Millsite (or portions thereof). Mining activity at the Apex Mine has been suspended for the past 4-5 years apparently due to a decline in the price of germanium on the world market and the high cost of production. Amalgamet and PPM Pure Metals are subsidiaries of a larger parent company PREUSSAG with a workforce of 70,000 employees. This company has many diverse business interests, one of them is specializing in fiber optics and the telecommunications industry which depends on germanium. The company sees a change in the germanium market outlook and wishes to capitalize on a window they believe will only be open for a short time. If they decide to exercise their option with Hecla, they will need to move ahead and be operating by the end of the first quarter of 1997 to achieve their objectives.

Amalgamet is unfamiliar with Utah's permitting requirements and requested this meeting with the appropriate state and federal agencies. Uranerz will act as the permitting contractor and mine operator for Amalgamet should the sales agreement move forward. DOGM's permit for the Apex Mine permit would likely be transferred as is to the new owner.

Presently, there is no processing facility available to concentrate the germanium, so a new facility will need to be built. The location for a new processing facility has not been determined. Amalgamet is considering HMC's Escalante Mine and millsite which is also inactive and partially reclaimed. HMC's existing mill located near the Apex Mine is not available.

Amalgamet stated that the worldwide annual need for germanium is @75 Tons presently. They foresee a worldwide increase to @100 Tons per annum by the turn of the century. Their anticipated annual production of germanium from the Apex mine would account for @15 Tons of that total, roughly equivalent to 70-80 tons of ore production per day. Therefore, this will most likely continue to be a small scale underground mining operation.

A concentrated sulfuric acid vat leach system with appropriately determined solvent/reagent extraction is planned. Approximately 500-600 thousand tons of tailings are anticipated to be produced over a projected 10 year life of operations. A 20-acre tailings impoundment is anticipated.

The state and federal agency representatives discussed the general permitting requirements and timeframes for permit acquisition under various scenarios. Appropriate copies of rules, regulations and application forms were handed out. The two hour meeting proved very informative and productive.

A COPY OF THESE NOTE WILL BE SENT TO MINEFILES - M021004 AND M053004.

CC: minerals